

**KERSEY AND COMPANY**  
P.O. BOX 1248  
FREDERICKSBURG, TX 78624

July 11, 2003

Patrick J. Lyons, Land Commissioner  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Ref: Kersey & Co./Kersey & Donohue  
Case #12811

**RECEIVED**  
JUL 16 2003  
Oil Conservation Division

Dear Mr. Lyons;

It will not be possible for me to be present at the hearing scheduled for July 17, 2003, as I will be on a previously scheduled trip to Kansas. However, as I had stated on my June 13th, 2003 correspondence, I believe that our companies are in compliance, and I would appreciate your consideration of the following information to verify our position.

**Kersey and Donohue Federal #1 API 30-015-01310:**

On April 26, 2002 the Federal #1 was plugged according to a procedure approved by the Bureau of Land Management and witnessed by BLM agent Gene Hunt.

**Kersey and Company ASU "A" State #1 API 30-01501306:**

Plugging of this well took place May 3 through May 9, 2002, following an O.C.D. approved procedure and witnessed by O.C.D. agent Van Barton.

**Kersey and Company ASU Federal #2 API 30-015-10227:**

The well was worked on in March 2002 and a pumping unit was set in May 2002, but there is no electricity within several miles of this location, and the pumping unit must be powered by a combustion engine. Although the well was being pumped monthly (2-3 days per month), it is difficult to keep these engines running. We had to fill approximately 2000 feet of flowline to reach the tank battery, so the first new production at the tank battery was December 2002. I have included C-115 production reports showing production for the last six months. Although we have re-established production, the results have been disappointing. This was a gas well, and we had hoped that by pumping off the fluid, we would again be able to produce gas. Unfortunately, the gas production since the fluid was pumped off has been nil. Obviously this is not going to be an economic operation, and I am sure we will plug this well in the near future. None the less, I do believe we have been in compliance with the requirement set forth to return the well to production.

Sincerely,



Kenneth R. Wade  
Production Manager

KRW:mk

May 21, 2002

Kersey & Company  
P.O. Box 1248  
Fredericksburg, TX 78624

Ken,

On April 26, 2002 I plugged the Kersey & Donohue K.D. Fed #1 well. I had LaFarge, the local ready mix place bring 70 sacks of Type II cement, mixed with 6.3 gallons of water per sack. It took approximately 62 sacks to fill the hole, about 8 sacks to the pit. BLM witnesses on location were Gene Hunt and another man named Paul.

On Friday May 3<sup>rd</sup> - I attempted to plug the Kersey & Company ASU "A" State #1 well. I pumped 70 sacks Type II cement into the well - but it didn't fill up. The state inspector Van Barton required that we run a wire line to locate the top of the cement. I had Keltic Services run a wire line. We tagged at 151 feet. I had him mail this bill to you.

On May 7<sup>th</sup> - I mixed 10 sacks and finished plugging this well. The hole only took about 6 or 7 sacks. Van Barton was notified this time too but he was a no show.

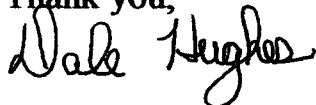
On May 9<sup>th</sup> I set Dry Hole Markers at each of the two locations with 2 sacks Quikcrete each.

I cleaned all the bent & junk pipe off both locations.

We need to have The Gas Company remove the gas line risers from each location.

Ken - Please send me a check for \$1453.60 to cover my out of pocket expenses on plugging these wells.

Thank you,



Dale Hughes  
#31 Jerry Dr.  
Artesia, NM 88210



To Appropriate  
District Office  
DISTRICT I  
16.5 N. French Dr., Hobbs, NM 88240

Energy, Minerals and Natural Resources Department

Revised March 25, 1999

DISTRICT II  
811 South First, Artesia NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, NM 87505

V	API NO.
30-015-	10227
5. Indicate Type of Lease	Federal <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	Federal NM 12398
7. Lease Name or Unit Agreement Name:	A.S.U.
8. Well No.	2
9. Pool name or Wildcat	Vanday of Keys (Quorum)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well:	Oil Well <input checked="" type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator	Hersey & Company
3. Address of Operator	P.O. Box 1248 Fredericksburg TX. 78624
4. Well Location	

Unit letter D : 660 feet from the North line and 660 feet from the West line

Section 11 Township 17S Range 28E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	

2. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Clean well bore to T.D., set pumping unit, run tubing, rods and pump return to production.  
We have contracted for a work over rig and work should be started by March 1, 2002.

OCD approval conditional.  
Well must meet BLM requirements and acquire their approval.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kenneth R Wade TITLE Manager DATE 02-08-02  
Type or print name Kenneth R Wade Telephone No. 830 997-7519  
(This space for State use)

APPROVED BY [Signature] TITLE Field Rep ID DATE MAR 1 2002  
Conditions of approval, if any:

Submit 3 Copies  
To Appropriate  
District Office

**DISTRICT I**

1625 N. French Dr., Hobbs, NM 88240

**DISTRICT II**

811 South First, Artesia NM 88210

**DISTRICT III**

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**

2040 South Pacheco  
Santa Fe, NM 87505

Form C-103  
Revised March 25, 1999

WELL API NO.

30-015-10227

5. Indicate Type of Lease

Federal ☒ STATE ☐ FEE ☐

6. State Oil &amp; Gas Lease No.

Federal NM 12398

7. Lease Name or Unit Agreement Name:

ASU

8. Well No.

2

9. Pool name or Wildcat

Vandagriff Keys

**SUNDRY NOTICES AND REPORTS ON WELLS**

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well:

Oil Well ☒ Gas Well ☒ Other

2. Name of Operator

Kersey + Company

3. Address of Operator

P.O. Box 1248 Fredericksburg Tx 78624

4. Well Location

Unit letter D : 660 feet from the North line and 660 feet from the west lineSection 11Township 17S Range 28E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

**NOTICE OF INTENTION TO:**PERFORM REMEDIAL WORK ☐PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐CHANGE PLANS ☐PULL OR ALTER CASING ☐MULTIPLE  
COMPLETION ☐OTHER: ☐**SUBSEQUENT REPORT OF:**REMEDIAL WORK ☒ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐PLUG AND  
ABANDONMENT ☐CASING TEST AND CEMENT JOB ☐OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

March 11-2002

Hughes Drilling cleaned well bore,

Waiting to find pumping unit with gas motor, as there  
is no electricity in this area.

March 21-2002

located pumping unit, will set by March 25, 2002

Accepted for record - NMOCD

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Kenneth R Wade

TITLE

Manager

DATE 03-21-02

Type or print name

Kenneth R Wade

Telephone No. 830 997-7519

(This space for State use)

APPROVED BY

Accepted for record - NMOCD

TITLE

DATE

Conditions of approval, if any:

7 POOL NO. AND NAME Property No. and Name Well No. & U-L-S-T-R API No.	8 C O D E 1	INJECTION		11 C O D E 2	PRODUCTION				16 C O D E 3	DISPOSITION OF OIL, GAS AND WATER							22 C O D E 4	23 Oil on hand at end of month
		9 Volume	10 Pressure		12 Barrels of oil/condens- ate produced	13 Barrels of water produced	14 MCF Gas produced	15 Days Produced		17 Point of Disposition	18 Gas BTU or Oil API Gravity	19 Oil on hand at beginning of month	20 Volume (Bbls/mcf)	21 Transporter OGRID				
61020 Turkey Track 7	RVS	ON GB	San Andres															
005584 Parry																		
1 J 28-18S-29E 30-015-03468	P				61	0	0	24	O	1137910		117					178	
51300 Red Lake, Queen, G, SA																		
005576 Boling																		
1 G 31-17S-28E 30-015-01652	P				2	0	0	10	O	1138210		195					197	
86960 Vandagriff Keyes Queen Gas																		
005574 ASU																		
1 A 10-17S-28E 30-015-01337	S				8	0	0	3										
2 D 11-17S-28E 30-015-10227	S				10	0	0	3	O	1138310		80					98	
005575 ASU "A" 30-015-01306	S				0	0	0	0										
22260 Empire Yates Sever Rivers, East																		
005604 Williams "A"																		
3 H 28-17S-28E 30-015-10230	P				12	0	0	31										
4 H 28-17S-28E 30-015-21969	P				12	0	0	31										
5 H 29-17S-28E 30-015-23987	P				17	0	0	31	O	1138610		122					163	

INJECTION					PRODUCTION				DISPOSITION OF OIL, GAS AND WATER							
7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
POOL NO. AND NAME Property No. and Name Well No. & U-L-S-T-R API No.	C O D E 1	Volume	Pressure	C O D E 2	Barrels of oil/condensate produced	Barrels of water produced	MCF Gas produced	Days Produced	C O D E 3	Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (Bbls/mcf)	Transporter OGRID	C O D E 4	Oil or at a max
61020 Turkey Track 7	RVS	ON GB	San Andres													
005584 Parry																
1 J 28-18S-29E 30-015-03468	P				78	0	0	30	O	1137910	33.1	201	162	015694		11
51300 Red Lake, Queen, G, SA																
005576 Boling																
1 G 31-17S-28E 30-015-01652	P				27	0	0	30	O	1138210		168				15
86960 Vandagriff Keyes Queen Gas																
005574 ASU																
1 A 10-17S-28E 30-015-01337	B				2	0	0	1				76				80
2 D 11-17S-28E 30-015-10227	B				2	0	0	1	O	1138310						
005575 ASU "A" 30-015-01306	S				0	0	0	0								
22260 Empire Yates Sever Rivers, East																
005604 Williams "A"																
3 H 28-17S-28E 30-015-10230	P				21	0	0	30								
4 H 28-17S-28E 30-015-21969	P				21	0	0	30								
5 H 29-17S-28E 30-015-23987	P				22	0	0	30	O	1138610		58				1

7		INJECTION			PRODUCTION				DISPOSITION OF OIL, GAS AND WATER								
POOL NO. AND NAME Property No. and Name Well No. & U-L-S-T-R API No.	8 C O D E 1	9 Volume	10 Pressure	11 C O D E 2	12 Barrels of oil/condensate produced	13 Barrels of water produced	14 MCF Gas produced	15 Days Produced	16 C O D E 3	17 Point of Disposition	18 Gas BTU or Oil API Gravity	19 Oil on hand at beginning of month	20 Volume (Bbls/mcf)	21 Transporter OGRID	22 C O D E 4	23 Oil on han at end of month	
61020 Turkey Track 7	RVS	ON GB	San Andres														
005584 Parry																	
1 J 28-18S-29E 30-015-03468	P				73	0	0	31	O	1137910		128				201	
51300 Red Lake, Queen, G, SA																	
005576 Boling																	
1 G 31-17S-28E 30-015-01652	P				22	0	0	31	O	1138210		146				168	
86960 Vandagriff Keyes Queen Gas																	
005574 ASU																	
1 A 10-17S-28E 30-015-01337	P				2	0	0	1				72				76	
2 D 11-17S-28E 30-015-10227	P				2	0	0	1	O	1138310							
005575 ASU "A" 30-015-01306	S				0	0	0	0									
22260 Empire Yates Sever Rivers, East																	
005604 Williams "A"																	
3 H 28-17S-28E 30-015-10230	P				12	0	0	31									
4 H 28-17S-28E 30-015-21969	P				12	0	0	31									
5 H 29-17S-28E 30-015-23987	P				13	0	0	31	O	1138610	32.6	196	175			58	

		INJECTION			PRODUCTION				DISPOSITION OF OIL, GAS AND WATER							
7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
POOL NO. AND NAME Property No. and Name Well No. & U-L-S-T-R API No.	C O D E 1	Volume	Pressure	C O D E 2	Barrels of oil/condens- ate produced	Barrels of water produced	MCF Gas produced	Days Produced	C O D E 3	Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (Bbls/mcf)	Transporter OGRID	C O D E 4	Oil on h at end month
61020 Turkey Track 7		RVS QN GB	San Andres													
005584 Parry																
1 J 28-18S-29E 30-015-03468	P				65	0	0	28	O	1137910	34.5	229	166	015694		128
51300 Red Lake, Queen, G, SA																
005576 Boling																
1 G 31-17S-28E 30-015-01652	P				27	0	0	28	O	1138210		119				146
86960 Vandagriff Keyes Queen Gas																
005574 ASU																
1 A 10-17S-28E 30-015-01337	S				0	0	0	0								
2 D 11-17S-28E 30-015-10227	S				0	0	0	0	O	1138310		72				72
005575 ASU "A" 30-015-01306	S				0	0	0	0								
22260 Empire Yates Sever Rivers, East																
005604 Williams "A"																
3 H 28-17S-28E 30-015-10230	P				16	0	0	28								
4 H 28-17S-28E 30-015-21969	P				16	0	0	20								
5 H 29-17S-28E 30-015-23987	P				20	0	0	28	O	1138610		144				196



## Operator's Monthly Report (Continuation Page)

Operator: KERSEY AND COMPANY

3 GRID: 012576

4 Mon. Year 1/03

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		INJECTION			PRODUCTION				DISPOSITION OF OIL, GAS AND WATER							
7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
POOL NO. AND NAME Property No. and Name Well No. & U-L-S-T-R API No.	C O D E 1	Volume	Pressure	C O D E 2	Barrels of oil/condensate produced	Barrels of water produced	MCF Gas produced	Days Produced	C O D E 3	Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (Bbls/mof)	Transporter OGRID	C O D E 4	Oil on hand at end of month
61020 Turkey Track 7 RVS ON GB San Andres																
005584 Parry																
1 J 28-18S-29E 30-015-03468	P				86	0	0	31	O	1137910		143				229
51300 Red Lake, Queen, Q, SA																
005576 Boling																
1 G 31-17S-28E 30-015-01652	P				18	0	0	31	O	1138210		101				119
86960 Vandagriff Keyes Queen Gas																
005574 ASU																
1 A 10-17S-28E 30-015-01337	S				0	0	0	0								
2 D 11-17S-28E 30-015-10227	S				0	0	0	0	O	1138310		72				72
005575 ASU "A" 30-015-01306	S				0	0	0	0								
22260 Empire Yates Sever Rivers, East																
005604 Williams "A"																
3 H 28-17S-28E 30-015-10230	P				12	0	0	30								
4 H 28-17S-28E 30-015-21969	P				14	0	0	30								
5 H 29-17S-28E 30-015-23987	P				20	0	0	30	O	1138610		98				144

**KERSEY AND COMPANY**

**3 OGRID: 012576**

4 Month/Year 12/02

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